

waving a dollar bill in the air, "I hereby bid one dollar for the British steel industry!"

Indeed. There is no such thing as no price. Even a bankrupt industry would sell, readily, for its plant and equipment to be used by productive private firms.

And so even a low price should not stop the federal government in its quest to balance the budget by privatization. Those dollars will mount up. Just give freedom and private enterprise a chance.

Government vs. Natural Resources

Murray N. Rothbard

It is a common myth that the near-disappearance of the whale and of various species of fish was caused by "capitalist greed," which, in a short-sighted grab for profits, despoiled the natural resources—the geese that laid the golden eggs—from which those profits used to flow. Hence, the call for government to step in and either seize the ownership of these resources, or at least to regulate strictly their use and development.

It is private enterprise, however, not government, that we can rely on to take the long and not the short view. For example, if a private investor or business firm owns a natural resource, say, a forest, it knows that every tree cut down and sold for short-run profits will have to be balanced by a decline in the capital value of the forest remaining. Every firm, then, must balance short-run returns as against the loss of capital assets. Therefore, private owners have every economic incentive to be far-sighted, to replant trees for every tree cut down, to increase the productivity and to maintain the resource, etc. It is precisely *government*—or firms allowed

to rent but not own government—whose every incentive is to be short-run. Since government bureaucrats control but do not own the resource “owned” by government, they have no incentive to maximize or even consider the long-run value of the resource. Their every incentive is to loot the resource as quickly as possible.

And so it should not be surprising that every instance of “overuse” and destruction of a natural resource has been caused, not by private property rights in natural resources, but by government intervention or crippling of such a market. Destruction of the grass cover in the West in the late 19th-century was caused by the Federal government’s failure to recognize homesteading of land in large-enough technological units to be feasible. The 160-acre legal maximum for private homesteading imposed during the Civil War made sense for the wet agriculture of the East; but it made no sense in the dry area of the West, where no farm of less than one or two thousand acres was feasible. As a result, grassland and cattle ranches became land owned by the federal government but used by or leased to private firms. The private firms had no incentive to develop the land resource, since it could be invaded by other firms or could revert to the government. In fact, their incentive was to use up the land resource quickly to destroy the grass cover, because they were prevented from owning it.

Water, rivers, parts of oceans, have been in far worse shape than land, since private individuals and firms have been almost universally prevented from owning parts of that water, from owning schools of fish, etc. In short, since homesteading private property rights has generally not been permitted in parts of the ocean, the oceans and other water resources have remained in a primitive state, much as land had been in the days before private property in land was permitted and recognized. Then, land was only in a hunting-and-gathering stage, where people were permitted to own or

transform the land itself. Only private ownership in the land itself can permit the emergence of *agriculture*—the transformation and cultivation of the land itself—bringing about an enormous growth in productivity and increase in everyone's standard of living.

The world has accepted agriculture, and the marvelous fruits of such ownership and cultivation. It is high time to expand the dominion of man to one of the last frontiers on earth: *aquaculture*. Already, private property rights are being developed in water and ocean resources, and we are just beginning to glimpse the wonders in store. More and more, in oceans and rivers, fish are being "farmed" instead of relying on random supply by nature. Whereas only three percent of all seafood produced in the United States in 1975 came from fish-farms, this proportion tripled to twelve percent by 1984.

In Buhl, Idaho, the Clear Springs Trout Company, a fish-farm, has become the single largest trout producer in the world, expanding its trout production from 10 million pounds per year in 1981 to 14 million pounds this year. Furthermore, Clear Springs is not content to follow nature blindly; as all farmers try to do, it improves on nature by breeding better and more productive trout. Thus, two years ago Clear Springs trout converted two pounds of food into one pound of edible flesh; now Clear Springs scientists have developed trout that will convert only 1.3 pounds of food into one pound of flesh. And Clear Springs researchers are in the process of developing that long-desired paradise for consumers: a boneless trout.

At this point, indeed, all rainbow trout sold commercially in the United States are produced in farms, as well as 40% of the nation's oysters, and 95% of commercial catfish.

Aquaculture, the wave of the future, is already here to stay, not only in fishery but also in such activities as off-shore oil drilling and the mining of manganese nodules on the ocean floor. What aquaculture needs above all is the expan-

sion of private property rights and ownership to all useful parts of the oceans and other water resources. Fortunately, the Reagan Administration rejected the Law of the Sea Treaty, which would have permanently subjected the world's ocean resources to ownership and control by a world-government body under the aegis of the United Nations. With that threat over, it is high time to seize the opportunity to allow the expansion of private property in one of its last frontiers.

Privatize the Roads

Walter Block

If the government demanded the sacrifice of 50,000 citizens each year, an outraged public would revolt. If a religious sect planned to immolate 523,335 in the next decade, it would be toppled. If a Manson-type cult murdered 790 people to celebrate Memorial Day, the press would demand the greatest manhunt in this country's history.

If we learned of a disease that killed 2,077 children under the age of five each year, or a nursing home that allowed 7,346 elderly people to die each year, no stone would be left unturned to combat the enemy.

If private enterprise were responsible for this butchery, a cataclysmic reaction would ensue: Congressmen would appoint investigative panels, the Justice Department would seek out antitrust violations, corporate executives would be jailed, and there would be growing cries for nationalization.

In fact, the government is indeed responsible for a real-life slaughter of these exact proportions: the toll taken on our nation's roadways. Whether at the local, state, regional, or national level, it is government that builds, runs, manages, administers, repairs, and plans the road network.